Bill No. HB 7065

Amendment No.

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CHAMBER ACTION

<u>Senate</u> <u>House</u>

Representative(s) Zapata, R. Garcia, Seiler, Schwartz, Ausley, and Bean offered the following:

Substitute Amendment for Amendment (001575) (with title amendment)

Program system for Medicaid recipients who are 60 years of age or older or dually eligible for Medicare and Medicaid. The Agency for Health Care Administration shall implement the integrated program system initially on a pilot basis in two areas of the state. The pilot areas shall be Area 7 and Area 11 of the Agency for Health Care Administration. In one of the areas Enrollment in the pilot areas shall be on a voluntary basis and in accordance with approved federal waivers and this section. The agency and its program contractors and providers shall not enroll any individual in the integrated program 488687

because the individual or the person legally responsible for the
individual fails to choose to enroll in the integrated program.
Enrollment in the integrated program shall be exclusively by
affirmative choice of the eligible individual or by the person
legally responsible for the individual. The integrated program
must transfer all Medicaid services for eligible elderly
individuals who choose to participate into an integrated-care
management model designed to serve Medicaid recipients in the
community. The <u>integrated</u> program must combine all funding for
Medicaid services provided to individuals who are 60 years of
age or older or dually eligible for Medicare and Medicaid into
the integrated program system, including funds for Medicaid home
and community-based waiver services; all Medicaid services
authorized in ss. 409.905 and 409.906, excluding funds for
Medicaid nursing home services unless the agency is able to
demonstrate how the integration of the funds will improve
coordinated care for these services in a less costly manner; and
Medicare coinsurance and deductibles for persons dually eligible
for Medicaid and Medicare as prescribed in s. 409.908(13).

(a) Individuals who are 60 years of age or older or dually eligible for Medicare and Medicaid and enrolled in the developmental disabilities waiver program, the family and supported-living waiver program, the project AIDS care waiver program, the traumatic brain injury and spinal cord injury waiver program, the consumer-directed care waiver program, and the program of all-inclusive care for the elderly program, and residents of institutional care facilities for the

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developmentally disabled, must be excluded from the integrated program system.

- (b) The integrated program shall must use a competitive procurement process to select managed care entities who meet or exceed the agency's minimum standards to operate the integrated program system. For the purpose of this section, managed care entities shall be considered prepaid health plans as provided in s. 408.7056(1)(e). Entities eligible to submit bids include managed care organizations licensed under chapter 641, including entities eligible to participate in the nursing home diversion program, other qualified providers as defined in s. 430.703(7), community care for the elderly lead agencies, and other statecertified community service networks that meet comparable standards as defined by the agency, in consultation with the Department of Elderly Affairs and the Office of Insurance Regulation, to be financially solvent and able to take on financial risk for managed care. Community service networks that are certified pursuant to the comparable standards defined by the agency are not required to be licensed under chapter 641. Eliqible entities shall choose to serve enrollees who are dually eligible for Medicare and Medicaid, enrollees who are 60 years of age or older, or both.
- (c) The agency must ensure that the capitation-rate-setting methodology for the integrated <u>program system</u> is actuarially sound and reflects the intent to provide quality care in the least restrictive setting. The agency must also require <u>integrated-program integrated-system</u> providers to develop a credentialing system for service providers and to 488687

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98 99 contract with all Gold Seal nursing homes, where feasible, and exclude, where feasible, chronically poor-performing facilities and providers as defined by the agency. The integrated program must develop and maintain an informal provider grievance system that addresses provider payment and contract problems. The agency shall also establish a formal grievance system to address those issues that were not resolved through the informal grievance system. The integrated program system must provide that if the recipient resides in a noncontracted residential facility licensed under chapter 400 or chapter 429 at the time of enrollment in the integrated program system is initiated, the recipient must be permitted to continue to reside in the noncontracted facility as long as the recipient desires. The integrated program system must also provide that, in the absence of a contract between the integrated-program integrated system provider and the residential facility licensed under chapter 400 or chapter 429, current Medicaid rates must prevail. The integrated-program provider must ensure that electronic nursing home claims that contain sufficient information for processing are paid within 10 business days after receipt. Alternately, the integrated-program provider may establish a capitated payment mechanism to prospectively pay nursing homes at the beginning of each month. The agency and the Department of Elderly Affairs must jointly develop procedures to manage the services provided through the integrated program system in order to ensure quality and recipient choice.

(d) Within 24 months after implementation, The Office of Program Policy Analysis and Government Accountability, in 488687

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consultation with the Auditor General, shall comprehensively evaluate the pilot project for the integrated, fixed-payment delivery program system for Medicaid recipients created under this subsection who are 60 years of age or older. The evaluation shall begin as soon as Medicaid recipients are enrolled in the managed care pilot program plans and shall continue for 24 months thereafter. The evaluation must include assessments of each managed care plan in the integrated program with regard to cost savings; consumer education, choice, and access to services; coordination of care; and quality of care. The evaluation must describe administrative or legal barriers to the implementation and operation of the pilot program and include recommendations regarding statewide expansion of the pilot program. The office shall submit its an evaluation report to the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than December 31, 2009 June 30, 2008.

- (e) The agency may seek federal waivers or Medicaid state plan amendments and adopt rules as necessary to administer the integrated program system. The agency may implement the approved federal waivers and other provisions as specified in this subsection must receive specific authorization from the Legislature prior to implementing the waiver for the integrated system.
- (f) No later than December 31, 2007, the agency shall provide a report to the President of the Senate and the Speaker of the House of Representatives containing an analysis of the merits and challenges of seeking a waiver to implement a 488687

voluntary program that integrates payments and services for
dually enrolled Medicare and Medicaid recipients who are 65
years of age or older.

Section 2. Paragraph (d) of subsection (1) of section 408.040, Florida Statutes, is amended to read:

408.040 Conditions and monitoring. --

134 (1)

(d) If a nursing home is located in a county in which a long-term care community diversion pilot project has been implemented under s. 430.705 or in a county in which an integrated, fixed-payment delivery program system for Medicaid recipients who are 60 years of age or older or dually eligible for Medicare and Medicaid has been implemented

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======= T I T L E A M E N D M E N T ======

Remove line(s) 6-11 and insert:

years of age or older or dually eligible for Medicare and Medicaid; providing for voluntary enrollment in the program in specified locations, in accordance with certain requirements; requiring selection of managed care entities to operate the program; providing that such managed care entities shall be considered prepaid health plans; providing for entities to choose to serve certain enrollees; providing for the establishment of informal and